

August 31, 2010

TO: Members of the MAG Management Committee

FROM: Carl Swenson, Peoria, Chair

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA

Wednesday, September 8, 2010 - 12:00 noon
MAG Office, Suite 200 - Saguaro Room
302 North 1st Avenue, Phoenix

The next Management Committee meeting will be held at the MAG offices at the time and place noted above. Members of the Management Committee may attend the meeting either in person, by videoconference or by telephone conference call. The agenda and summaries are also being transmitted to the members of the Regional Council to foster increased dialogue between members of the Management Committee and Regional Council. You are encouraged to review the supporting information enclosed. Lunch will be provided at a nominal cost.

Please park in the garage under the building, bring your ticket, parking will be validated. For those using transit, Valley Metro/RPTA will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Valerie Day at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

Members are reminded of the importance of attendance by yourself or a proxy. Any time that a quorum is not present, we cannot conduct the meeting. Please set aside sufficient time for the meeting, and for all matters to be reviewed and acted upon by the Management Committee. Your presence and vote count.

c: MAG Regional Council

**MAG MANAGEMENT COMMITTEE
TENTATIVE AGENDA
September 8, 2010**

COMMITTEE ACTION REQUESTED

1. Call to Order

2. Pledge of Allegiance

3. Call to the Audience

An opportunity is provided to the public to address the Management Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Management Committee requests an exception to this limit. Please note that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

4. Executive Director's Report

The MAG Executive Director will provide a report to the Management Committee on activities of general interest.

5. Approval of Consent Agenda

Prior to action on the consent agenda, members of the audience will be provided an opportunity to comment on consent items that are being presented for action. Following the comment period, Committee members may request that an item be removed from the consent agenda. Consent items are marked with an asterisk (*).

3. Information.

4. Information and discussion.

5. Recommend approval of the Consent Agenda.

ITEMS PROPOSED FOR CONSENT*

MINUTES

*5A. Approval of July 14, 2010, Meeting Minutes

5A. Review and approval of the July 14, 2010, meeting minutes.

TRANSPORTATION ITEMS

*5B. American Recovery and Reinvestment Act (ARRA) Status Report

A Status Report on the American Recovery and Reinvestment Act (ARRA) funds dedicated to transportation projects in the MAG region details the status of project development. The report covers highway, local, transit, and enhancement projects programmed with ARRA funds and the status of project development milestones per project. Please refer to the enclosed material.

*5C. Amendment of the MAG Regional Transportation Plan 2010 Update

On July 28, 2010, the MAG Regional Council approved the Fiscal Year (FY) 2011-2015 Transportation Improvement Program (TIP) and the MAG Regional Transportation Plan (RTP) 2010 Update. In late July, due to reductions in revenues, including repeal of the Local Transportation Assistance Fund (LTAF), transit service level adjustments were finalized by transit service providers and reflected in transit schedules published in July 2010. These changes impacted the transit service levels in the RTP 2010 Update and the corresponding transportation network modeling assumptions. An air quality conformity regional emissions analysis (addressed under a separate agenda item) reflecting the new modeling assumptions has been conducted and indicates that the TIP and RTP will not contribute to violations of federal air quality standards. The MAG Transportation Review Committee recommended approval on August 31, 2010. Please refer to the enclosed material.

*5D. Consultant Selection for the Sustainable Transportation and Land Use Integration Study

On May 26, 2010, the MAG Regional Council approved the Fiscal Year (FY) 2011 MAG Unified Planning Work Program and Annual Budget, which provides \$750,000 to conduct a Sustainable Transportation and Land Use Integration Study. A Request for Proposals was advertised on June 29, 2010, and nine proposals were received. On

5B. Information and discussion.

5C. Recommend approval of an amendment to the MAG Regional Transportation Plan 2010 Update to incorporate public transit service level adjustments resulting from reductions in revenues, including repeal of the Local Transportation Assistance Fund, that were reflected in public transit service schedules published in July 2010, contingent upon a finding of conformity of the FY 2011-2015 MAG Transportation Improvement Program and the MAG Regional Transportation Plan 2010 Update with applicable air quality plans.

5D. Recommend approval of the selection of Arup North America, Ltd. as the consultant to develop the Sustainable Transportation and Land Use Integration Study for an amount not to exceed \$750,000.

August 26, 2010, a multi-agency review team evaluated the proposals, conducted consultant interviews, and recommended to MAG that Arup North American, Ltd. be hired to develop the study at a cost not to exceed \$750,000. Please refer to the enclosed material.

*5E. Consultant Selection for the On-Call Transportation Planning Consultant Services Program

The Fiscal Year (FY) 2010 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2009, was amended in February 2010 to include \$150,000 to conduct the On-Call Transportation Planning Consultant Services Program. The FY 2011 Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2010, provides an additional \$100,000 for this On-Call Program. The purpose of the program is for expediting the delivery of consultant services at MAG. For the purposes of this On-Call Transportation Planning Consultant Services program, qualified consultants were sought to assist staff in the following five services areas: (1) Civil Engineering, (2) Transportation Planning, (3) Transportation Operations, (4) Policy and Finance, and (5) Public Involvement. A Request for Statements of Qualifications was issued on April 15, 2010 and a total of 37 Statements of Qualifications were received by the due date of May 27, 2010. An internal team of MAG staff reviewed the Statements of Qualifications and on July 22, 2010, recommended to MAG selecting six consultants for participation in the On-Call Transportation Planning Consultant Services program. Please refer to the enclosed material.

*5F. Programming of FY 2011 Highway Safety Improvement Projects and Amendment to the FY 2011 MAG Unified Planning Work Program and Annual Budget

The Arizona Department of Transportation (ADOT) distributes 20 percent of the federal Highway Safety Improvement Program (HSIP) funds the State receives to the Metropolitan Planning Organizations and Councils of

5E. Recommend that Cambridge Systematics, Inc., AECOM Technical Services, Inc., PB Americas, Inc., HDR Engineering, Inc., Kimley-Horn and Associates, Inc., and Burgess & Niple, Inc. be selected as the consultants to participate in the On-Call Transportation Planning Consultant Services Program for a two-year period.

5F. Recommend approval of an amendment to the FY 2011 MAG Unified Planning Work Program and Annual Budget to provide \$200,000 of MAG Federal Highway Administration (FHWA) funds and \$200,000 of FHWA Highway Safety Improvement Program (HSIP) funds allocated to MAG by the Arizona Department of Transportation, to perform Road Safety Assessments (RSAs), develop Project Assessments (PAs)/Design Concept Reports (DCRs) for high

Governments. The share received by MAG, starting in Fiscal Year (FY) 2010, is \$1 million each year and needs to be programmed for qualifying safety projects. For FY 2011, MAG-HSIP funded safety projects must be obligated by the ADOT deadline of May 1, 2011. The Transportation Safety Committee reviewed the availability of federal HSIP funds for road safety improvements in the MAG region, the urgency for FY 2011 MAG-HSIP project obligation, and generated a recommendation for the programming of safety projects in FY 2011. The Safety Committee recommendation not only addresses FY 2011, but also will be helpful in developing a systematic multi-year program for implementing road safety improvements across the MAG region. The MAG Transportation Review Committee recommended approval on August 31, 2010. Please refer to the enclosed material.

*5G. Update of the Federal Functional Classification System

The most recent update to the federal functional classification of roadways in Maricopa County occurred in 2005 and primarily focused on the urban area. Since then, substantial growth has occurred and the Federal Highway Administration (FHWA) has modified the definitions used in the system and introduced significant data collection requirements. To address these issues, MAG staff is proposing a two-phase update to the system in the MAG region. The first phase will develop an updated arterial network for Regional Council approval by January 2011. The second phase will develop an updated collector network for approval by March 2011. The primary work would be performed by the MAG Street Committee with final review and approval conducted through the MAG Committee process. Please refer to the enclosed material.

risk intersections identified through the network screening process based on the Top 100 Intersection List and the state's Top Five Percent Report, and hold a regional workshop on RSAs (in the amount of \$2,000), and to recommend approval of the programming process for the remaining \$800,000 of FY 2011 safety projects for systematic safety improvements involving projects that are classified as Categorical Exclusion Group I.

5G. Information and discussion.

AIR QUALITY ITEMS

- *5H. New Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program and Regional Transportation Plan 2010 Update, As Amended

On July 28, 2010, the MAG Regional Council approved a Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program (TIP) and MAG Regional Transportation Plan 2010 Update. Since that time, an amendment to the Regional Transportation Plan 2010 Update is required to incorporate public transit service level adjustments resulting from reductions in revenues, including the repeal of the Local Transportation Assistance Fund (LTAF), that were reflected in public transit service schedules published in July 2010. The conformity assessment for the proposed amendment, which includes a regional emissions analysis, concludes that the TIP and Regional Transportation Plan 2010 Update meet all applicable federal conformity requirements and are in conformance with applicable air quality plans. On August 19, 2010, a 30-day public review period began on the conformity assessment and amendment. Comments are requested by September 20, 2010. Please refer to the enclosed material.

- *5I. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2011-2015 MAG Transportation Improvement Program (TIP). The proposed amendment and administrative modification involve several American Recovery and Reinvestment Act (ARRA) funded projects, including a City of Phoenix pavement preservation project and a Scottsdale park-and-ride project. In addition, the City of Mesa has proposed an amendment involving transit projects. The amendment includes projects that may be categorized as exempt from conformity determinations. The administrative modification includes minor project revisions that do not require a conformity determination. The summary

- 5H. Recommend approval of the new Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program and Regional Transportation Plan 2010 Update, as amended.

- 5I. Consultation.

transmittal and attachments will be sent to committee members in a separate mailing.

ITEMS PROPOSED TO BE HEARD

TRANSPORTATION ITEMS

6. Proposal to Advance the Construction for a Portion of the Williams Gateway Freeway

Mesa has requested consideration of a proposal to advance the construction for the segment of the Williams Gateway Freeway from the Santan Freeway to Ellsworth Road. Funding for the construction of this segment is programmed in Fiscal Year (FY) 2016 and Mesa is proposing to advance construction to FY 2012. A request to accelerate the design, right of way and construction of this segment was originally approved by MAG in January 2009. The legislature subsequently swept the funds that had been designated for the interest expense for the accelerated project. In May 2009, MAG approved a request by Mesa to accelerate only the design and right of way and that the funding that has been programmed for the advanced acquisition of right of way in the corridor be used to cover the interest expense associated with the financing necessary to accelerate the design and right of way activity. The Arizona Department of Transportation (ADOT) is currently acquiring the right of way and is starting the final design for the segment. To advance construction, Mesa is proposing to issue Highway Project Advancement Notes (HPANs), which are secured by the city's excise tax, to fund the accelerated construction. Since Mesa would issue the debt, there is no impact on the freeway program's financing capacity. The program currently estimates construction costs at \$158.3 million. Recent ADOT estimates place construction costs at \$119 million due in large part to the competitive bidding environment. Advancing construction of this project to January 2012 could potentially save the Program a substantial amount of money. The financial analysis for the proposed acceleration includes issuing \$130 million of HPANs to support the construction of the project. The net interest expense on the debt to advance construction is

6. Recommend approval of the Mesa request to advance the construction of an interim connection of the Williams Gateway Freeway between the Santan Freeway and Ellsworth Road by approximately four years, to be incorporated into the MAG FY 2011 to FY 2015 Transportation Improvement Program for FY 2012 and the Regional Transportation Plan 2010 Update for an air quality conformity analysis, and authorize the MAG Executive Director to enter into an agreement with ADOT and Mesa.

estimated to be \$21.2 million. The interest expense would be funded in part using the \$10 million set aside by the State Legislature to fund the acceleration of the SR-802. In addition, interest expense would be reduced by any savings from the original \$8 million that was allocated for interest expense from the advancement of design and right of way acquisition for the SR-802 due to lower than anticipated interest costs. This is estimated to be approximately \$2.0 million. The net interest expense after the \$10 million state set aside and any savings from the original interest expense fund allocation, would be divided equally between the Freeway Program and Mesa, as stated in the MAG Highway Acceleration Policy adopted in February 2008. Mesa and the Freeway Program would be responsible for about \$4.6 million each of interest expense based on the financial analysis. The Program share of the interest cost represents an additional cost to the Program, however, this added cost would be offset by the accelerated construction for the project as long as the rate of inflation exceeds one half of the interest rate on the financing. The financial analysis assumes an interest rate of 4.25 percent on the notes. ADOT currently uses a three percent inflation rate for construction, so there would be a net cost savings to the program as a result of the proposed acceleration. Mesa understands and agrees that if the schedule for the project is delayed due to higher program costs and/or lower program revenues, the reimbursement to Mesa would be delayed as other projects are also delayed. Please refer to the enclosed material.

7. State of Transit in the Region

Through the MAG Committee process starting at the Transit Committee, MAG programs transit projects to be funded with federal funds while working cooperatively with MAG member agencies, the designated grant recipient (City of Phoenix), and the transit operators in the region: the City of Glendale, the City of Peoria, the City of Phoenix, the Regional Public Transportation Authority (RPTA), the City of Scottsdale, the City of Surprise, the City of Tempe, and Valley Metro Rail (METRO). Fiscal Year (FY) 2010 was a

7. Information and discussion.

transition year for transit programming. In the past, the effort was led by RPTA, using prioritized guidelines as explained in the attachment. Last year, the responsibility shifted to MAG. FY 2011 will continue to be a transition year for transit programming. MAG needs to develop regional transit programming guidelines/priorities/evaluation criteria for federal funds and a process on how to integrate Transportation Life Cycle Program (TLCP) material changes to the Regional Transportation Plan (RTP) through the MAG Committee process. An overview of the State of Transit in the Region will be presented to aid member agency leaders in providing input to staff and the MAG Transit Committee in developing the regional transit programming guidelines/priorities/evaluation criteria for federal funds. Please refer to the enclosed material.

8. ARRA Local Highway Funds: Project Changes - Amendment to the FY 2011-2015 MAG Transportation Improvement Program

The Fiscal Year (FY) 2011-2015 MAG Transportation Improvement Program (TIP) and Regional Transportation Plan 2010 Update were approved by the MAG Regional Council on July 28, 2010. Since that time, there has been a request from the City of Phoenix to move ARRA funds from the PHX09-804 project, which will now be funded with local funds to the PHX09-801 project to increase the project budget and the number of miles of roadway to be repaved. This request is time sensitive as the Federal Highway Administration stops accepting obligation requests on September 16, 2010. Please refer to the enclosed material.

9. ARRA Transit Funds: Project Changes - Amendment to the FY 2011-2015 MAG Transportation Improvement Program

The Fiscal Year (FY) 2011-2015 MAG Transportation Improvement Program (TIP) and Regional Transportation Plan 2010 Update were approved by the MAG Regional Council on July 28, 2010. Since that time, there has been a request from the City of Scottsdale to move ARRA funds from a construction project to a design

8. Possible recommendation to approve an amendment to the FY 2011-2015 MAG Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2010 Update to move \$1,281,693 of ARRA funds to PHX09-801 and increase the project budget accordingly.

9. Possible recommendation to approve an amendment to the FY 2011-2015 MAG Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2010 Update for the Scottsdale request to move \$183,498 in ARRA funds from a construction project to a design project and to recommend the city of Mesa request to program \$1,771,250 of ARRA transit funds for the construction of the Gilbert/L202 park-and-ride project, MES10-805T.

project. Additionally, the Federal Transit Administration has deemed three design projects led by the City of Mesa ineligible for federal funding including ARRA funds. The three projects are MES10-801T, MES10-803T, and MES10-804T with a total of \$1,897,500 in ARRA funds. On December 9, 2009, the MAG Regional Council approved a set of Prioritization Guidelines for Unspent or Redistributed ARRA Funds. Following the approved Prioritization Guidelines coupled with the project status, the unspent \$1,897,500 of ARRA funds would be allocated to the 2.1 priority to increase operating assistance for bus and rail. There is currently \$1,750,000 of ARRA Transit funds programmed for bus and rail operating assistance, which is below the ceiling of ten percent of ARRA Transit funds, up to \$6,442,122, that can be used for bus and rail operating assistance. The City of Mesa is requesting that \$1,771,250 of ARRA transit funds be programmed for the construction of the Gilbert/L202 park-and-ride, MES10-805T. This project currently is programmed with \$517,750 of ARRA Transit, \$1,417,000 of federal 5309-rail and fixed guideway modernization, and \$354,250 of local funds. The summary transmittal and attachments will be sent to committee members in a separate mailing.

AIR QUALITY ITEMS

10. Update on Exceptional Events and MAG Five Percent Plan for PM-10

On July 2, 2010, the Environmental Protection Agency (EPA) published the proposed consent decree in the Federal Register, which indicated that EPA would propose action on the MAG Five Percent Plan for PM-10 by September 3, 2010, and finalize the action by January 28, 2011. The Arizona Department of Environmental Quality (ADEQ) submitted comments requesting that the schedule in the consent decree be delayed for at least six months to ensure that a final decision on exceptional events will be made by EPA based upon the best scientific information available. The Salt River Pima-Maricopa Indian Community, Maricopa County and MAG submitted comments in support of the ADEQ comments. On August 2,

10. Information and discussion.

2010, the ADEQ transmitted supplemental information to EPA regarding the June 4, 2008 exceptional event and again requested that Region IX revisit its May 21, 2010 decision to not concur with the ADEQ exceptional events documentation. MAG has been providing assistance with the supplemental information and more will be forthcoming. On August 24, 2010, EPA sent a letter to ADEQ indicating that EPA will be proposing action on the Five Percent Plan on September 3, 2010, and that EPA will be addressing the exceptional events in that action. MAG has also been conducting outreach to the Congressional Delegation as directed by the Regional Council. On August 30, 2010, the Arizona Congressional Delegation sent a letter to EPA expressing concern with recent EPA decisions on exceptional events and the MAG Five Percent Plan for PM-10. In addition, the California Air Resources Board sent a letter to EPA expressing concern with the EPA denial of the Imperial County exceptional events. On August 17, 2010, the Imperial County Air Pollution Control District approved the pursuit of all appropriate legal remedies to challenge EPA's limited disapproval of their dust control rules, tied to the disapproval of the exceptional events. Please refer to the enclosed material.

GENERAL ITEMS

11. Sustainable Communities Regional Planning Grant Program

In August 2010, MAG submitted an application for the Sustainable Communities Regional Planning Grant Program on behalf of the Sun Corridor Consortium. The grant requests nearly \$5 million to support the creation of a regional plan for sustainable development. The purpose of the plan is to integrate housing, economic development, and transportation planning in order to enhance the economy, the environment, and social equity. In total, 120 partners formally supported the grant application by leveraging nearly \$21 million. The Sustainable Communities Planning Grant Program is offered through the U.S. Department of Housing and Urban Development (HUD) in partnership with the U.S. Department of

11. Information and discussion.

Transportation and the Environmental Protection Agency. The application process is expected to be very competitive for the \$98 million available nationally. MAG began convening stakeholders in April 2010 to explore possible opportunities to position the region well. Six initiatives were proposed in the application to inform the process to develop the Sun Corridor Regional Plan for Sustainable Development. These initiatives address issues such as transportation and housing. Securing funding now may be advantageous for the region if regional plans for sustainable development become a requirement with the re-authorization of federal transportation funding. An update is offered on the activities and partners included in the grant application. Please refer to the enclosed material.

12. Request for Future Agenda Items

Topics or issues of interest that the Management Committee would like to have considered for discussion at a future meeting will be requested.

13. Comments from the Committee

An opportunity will be provided for Management Committee members to present a brief summary of current events. The Management Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Adjournment

12. Information and discussion.

13. Information.